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# Rural Economic and Community Development

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## Rural Business and Cooperative Development Service

### Business Programs

*The Rural Economic and Community Development (RECD) mission area was created in 1994 as a result of the reorganization of the U. S. Department of Agriculture. RECD consists of three new services, including the Rural Business and Cooperative Development Service (RBCDS). RECD field offices administer all RBCDS and other USDA rural economic and community development programs at the local level. The mission of RBCDS is to enhance the quality of life for all rural Americans by providing leadership in building competitive businesses and cooperatives that can prosper in the global trading marketplace. This fact sheet focuses on the Business Programs of RBCDS, which are usually leveraged with cooperatives and private sector lenders to meet business credit needs in under-served areas. Following are descriptions of the major Business Programs of RBCDS.*

### Commercial Lending

#### Business and Industrial (B&I) Guaranteed Loans

*Purpose:* To improve, develop, or finance business, industry, and employment, and to improve the economic and environmental climate in rural communities, including pollution abatement and control. This purpose is achieved through bolstering the existing private credit structure through guarantee of quality loans which will provide lasting community benefits. This type of assistance is available to businesses located in areas outside any city with a population of 50,000 or more and its immediately adjacent urbanized or urbanizing area. Eligible entities include corporations, partnerships, cooperatives, federally recognized Indian Tribes, individuals, and other legal entities.

#### Revolving Loan Funds and Technical Assistance

##### Intermediary Relending Program Loans

*Purpose:* To finance business facilities and community development projects in rural areas including cities with a population of less than 25,000. This is achieved through loans made by RBCDS to intermediaries who provide loans to ultimate recipients for business facilities and community development projects. Eligible intermediaries include public bodies, non-profit corporations, Indian Tribes, and cooperatives.

##### Rural Business Enterprise Grants

*Purpose:* To help public bodies, nonprofit corporations, and federally recognized Indian Tribal groups finance and facilitate development of small and emerging private business enterprises located in areas outside the boundary of a city of 50,000 or more and its immediately adjacent urbanized or urbanizing area. Funds may be used to finance and develop small and emerging private business enterprises. Costs that may be paid from grant funds include the acquisition and development of land and the construction of buildings, plants, equipment, access streets and roads, parking areas, utility and service extensions; refinancing; fees for professional services; technical assistance and training associated with technical assistance; startup operating costs and working capital; providing financial assistance to a third party; production of television programs to provide information to rural residents; and creation, expansion, and operation of rural distance learning networks.

##### Rural Technology and Cooperative Development Grants

*Purpose:* To finance the establishment and operation of centers for rural technology and/or cooperative development. The grants are to improve the economic conditions of rural areas by promoting the development and commercialization of new services, products, processes, and enterprises in rural areas. Rural areas are areas outside the boundary of a city with a population of 50,000 or more and its immediately adjacent urbanized or urbanizing area. Eligible applicants are public bodies, nonprofit organizations, and federally recognized Indian Tribal groups.



## Local Technical Assistance and Planning Grants

*Purpose:* To fund local technical assistance and planning activities in rural areas for the purpose of improving economic conditions. Grants may be used for technical assistance and training for small businesses, identifying and analyzing business opportunities in rural areas, establishing business support centers, conducting local or multi-county economic development planning, coordination of economic development activities, and leadership development training of local government officials. Grants will be available to public bodies and nonprofit organizations. Grants may be used to assist rural areas and any city or town with a population not in excess of 10,000.

## Rural Economic Development Loans and Grants

*Purpose:* To finance rural economic development and rural job creation projects that are based on sound economic and financial analyses. Loans and grants are made to Rural Utilities Service (RUS) electric and telephone borrowers who use the funds to provide financing for business and community development projects. Loans are provided to finance a broad array of projects, including for-profit businesses. Grants are targeted to certain purposes such as community development assistance, education and training for economic development, medical care, telecommunications for education, job training or medical services, business incubators, and technical assistance. RUS borrowers may receive financing for grant purposes through either a grant to establish a revolving loan fund or a combination loan and grant.

## APPLICATIONS:

Detailed information and applications for financial assistance are available through Rural Economic and Community Development State Offices.

For more information on RBCDS Business Programs, call (202) 720-0813.

**website:** <http://www.rurdev.usda.gov>

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